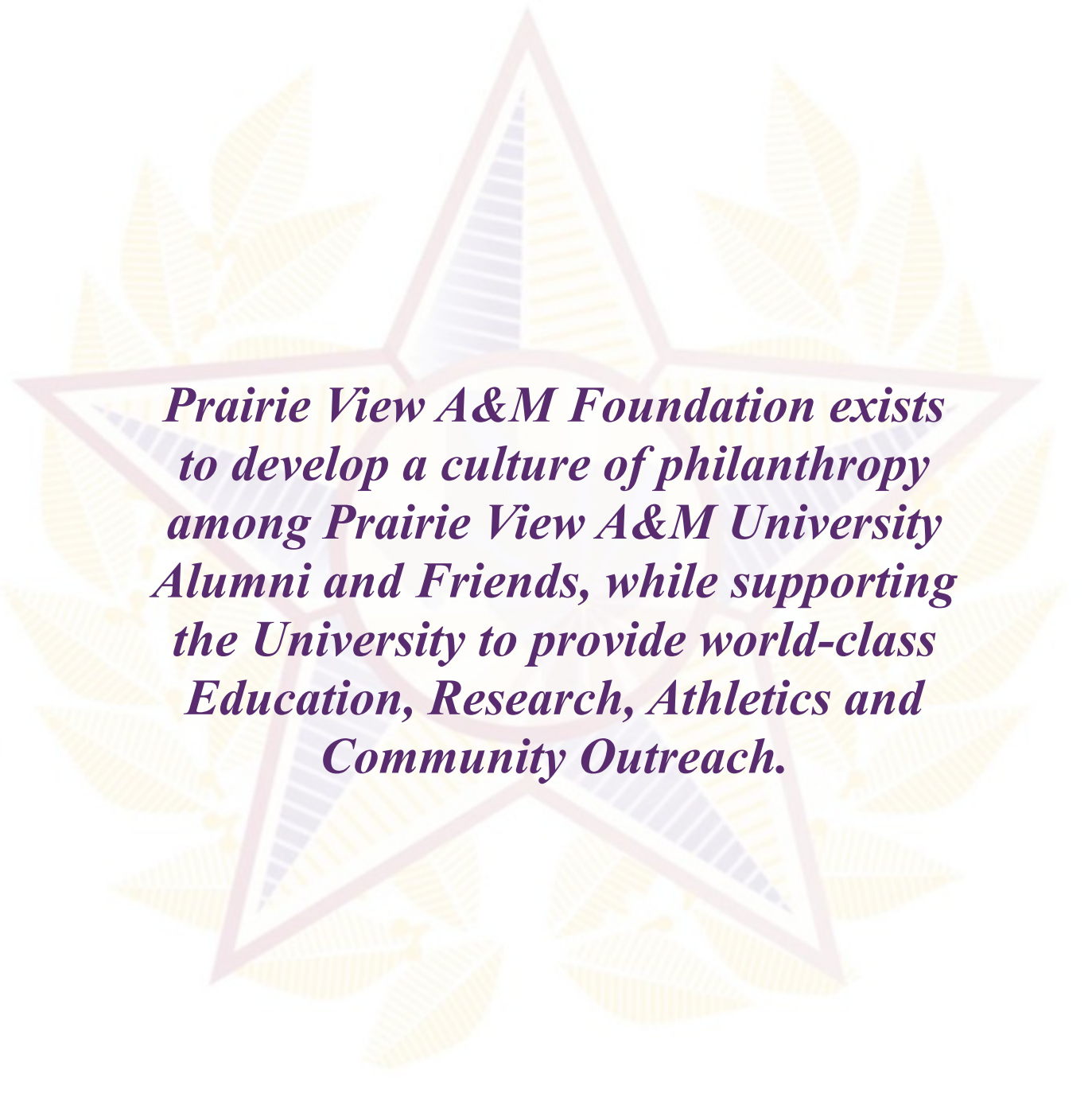




# The Legacy Continues

ANNUAL REPORT 2016-2017





*Prairie View A&M Foundation exists to develop a culture of philanthropy among Prairie View A&M University Alumni and Friends, while supporting the University to provide world-class Education, Research, Athletics and Community Outreach.*

# A Note from our Chairman

Dear Friends,

The Prairie View A&M Foundation is again pleased to present the *2017-2018 Financial Report and Audit* for your review. We have completed a year of growth and continued fiscal control.


We have added seven new Trustees to the Board. And have begun our analysis of how we align and improve efficiencies with the University Office of Development. The Foundation's efforts will support the President's priorities on increased faculty strength, student success, and improved financial aid. When alumni and professors need a partner to address the needs of our students such as the activities of Panthers on Capitol Hill, the '67 Dream Fund, and the International Passport Program, the PVAMF will apply our resources to the mission. Our team continues to work diligently to support the Anniversary classes. And we continue to fundraise to support our Panther Stadium and Athletic Building.

These types of programs need to be agile and flexible as needs arise, and the PVAMF will continue to strive to get funding to these vital student programs in a timely and streamlined manner. Alumni, we must continue to have an immediate impact to help our students move forward into career success.

Again, I request that our alumni and friends ask themselves, "Is Prairie View worthy of a second consideration as they prioritize their list of donation recipients?" The PVAMF will continue to steward your gifts and keep this stewardship our top priority. We will continue to make your giving to the Prairie View Family easy and seamless.

Let's continue to "Grow Greatness through Giving!"

Thank you,



Roy G. Perry  
Chairman and President  
Prairie View A&M Foundation

# Prairie View A&M Foundation Trustees



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Chairman and President



**DR. DONETTA  
GOODALL**

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**EMMITT  
WOOTEN, JR.**



*The Prairie View A&M Foundation  
envisions Alumni supporting and  
ensuring this University of “first  
class” continues as a beacon of  
hope and a threshold to greatness —  
“The Legacy Continues...”*

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**Independent Auditor's Report and  
Financial Statements**

**December 31, 2017 and 2016**

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

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**DECEMBER 31, 2017 AND 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Prairie View A&M Foundation

We have audited the accompanying financial statements of the Prairie View A&M Foundation (the "Foundation"), a Texas nonprofit corporation, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and statements of cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, reading "McLonnell & Jones".

Houston, Texas  
October 15, 2018

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**STATEMENTS OF FINANCIAL POSITION**

**AS OF DECEMBER 31, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 964,977	\$ 671,325
Investments	110,250	110,149
Promises to give	259,772	202,030
Other receivables	9,745	650
<b>Total current assets</b>	<b>1,344,744</b>	<b>984,154</b>
<b>Noncurrent Assets:</b>		
Promises to give, net of unamortized discount	174,820	51,016
Property and equipment, net	2,112	12,112
<b>Total noncurrent assets</b>	<b>176,932</b>	<b>63,128</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,521,676</b>	<b>\$ 1,047,282</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 27,040	\$ 9,762
Related party payable	207,009	139,774
<b>Total current liabilities</b>	<b>234,049</b>	<b>149,536</b>
<b>Total liabilities</b>	<b>234,049</b>	<b>149,536</b>
<b>Net Assets:</b>		
Unrestricted	189,798	164,964
Temporarily restricted	1,097,829	732,782
<b>Total net assets</b>	<b>1,287,627</b>	<b>897,746</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,521,676</b>	<b>\$ 1,047,282</b>

*The accompanying notes are an integral part of these financial statements.*

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Contributions	\$ 407,773	1,080,586	\$ 1,488,359
Investment income	77	-	77
Other income	22,611	-	22,611
Net assets released from restrictions	715,539	(715,539)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>1,146,000</b>	<b>365,047</b>	<b>1,511,047</b>
<b>EXPENSES</b>			
Program Services:			
Distribution to the University	715,539	-	715,539
Total program services	715,539	-	715,539
Support Services:			
General and administrative expenses	405,627	-	405,627
Total support services	405,627	-	405,627
<b>TOTAL EXPENSES</b>	<b>1,121,166</b>	<b>-</b>	<b>1,121,166</b>
<b>CHANGE IN NET ASSETS</b>	24,834	365,047	389,881
<b>NET ASSETS, BEGINNING OF YEAR</b>	164,964	732,782	897,746
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 189,798</b>	<b>\$ 1,097,829</b>	<b>\$ 1,287,627</b>

*The accompanying notes are an integral part of these financial statements.*

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Contributions	\$ 236,605	822,075	\$ 1,058,680
In-kind revenue	6,665	-	6,665
Investment income	(509)	-	(509)
Other income	300	-	300
Net assets released from restrictions	849,141	(849,141)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>1,092,202</b>	<b>(27,066)</b>	<b>1,065,136</b>
<b>EXPENSES</b>			
Program Services:			
Distribution to the University	853,027	-	853,027
Total program services	853,027	-	853,027
Support Services:			
General and administrative expenses	305,912	-	305,912
Total support services	305,912	-	305,912
<b>TOTAL EXPENSES</b>	<b>1,158,939</b>	<b>-</b>	<b>1,158,939</b>
<b>CHANGE IN NET ASSETS</b>	<b>(66,737)</b>	<b>(27,066)</b>	<b>(93,803)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>231,701</b>	<b>759,848</b>	<b>991,549</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 164,964</b>	<b>\$ 732,782</b>	<b>\$ 897,746</b>

*The accompanying notes are an integral part of these financial statements.*

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 389,881	\$ (93,803)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,000	-
Amortization of discount on promises to give	-	(2)
Net unrealized/realized investment losses	-	514
(Increase)/decrease in promises to give	(181,546)	70,176
Increase in other receivables	(9,095)	-
Increase/(decrease) in accounts payable and accrued liabilities	17,278	(4,018)
Increase in related party payable	67,235	53,709
<b>Total adjustments</b>	<b>(96,128)</b>	<b>120,379</b>
<b>Net cash provided by operations</b>	<b>\$ 293,753</b>	<b>\$ 26,576</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(101)	(110,663)
Purchases of fixed assets	-	(4,332)
Sales of investments	-	76,399
<b>Net cash used in investment activities</b>	<b>(101)</b>	<b>(38,596)</b>
<b>NET CHANGE IN CASH</b>	293,652	(12,020)
<b>CASH, BEGINNING OF YEAR</b>	671,325	683,345
<b>CASH, END OF YEAR</b>	<b>\$ 964,977</b>	<b>\$ 671,325</b>

*The accompanying notes are an integral part of these financial statements.*

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Business

Prairie View A&M Foundation (the “Foundation”) is a Texas nonprofit corporation established in February 2009. The Foundation was formed to solicit, receive, invest, administer and recognize gifts which support the educational, research and service missions of Prairie View A&M University (the “University”). The Foundation operates for the exclusive benefit of the University. The Foundation is primarily supported by private gifts, bequests and donations from individuals and private organizations.

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation

The Foundation’s financial statements are presented in accordance with the Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC) Topic 958-205, *Not-For-Profit Entities, Presentation of Financial Statements*. Under FASB ASC Topic 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

**Unrestricted net assets** – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Foundation.

**Temporarily restricted net assets** – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time.

**Permanently restricted net assets** – These are resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon be used by the Foundation.

In addition, the Foundation is required by FASB ASC Topic 958-205 to present statements of activities and cash flows.

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Revenue Recognition

Revenues from contributions, donations and other sources are recognized as unrestricted or temporarily restricted revenues when received or unconditionally promised by a third party. Conditional promises to give cash or other assets are not recognized until received. Development fees are recognized as unrestricted revenues when related contributions are received. Revenues from special events are recognized when the events are held. Interest income is recognized when earned based on passage of time.

Contributions and Promises to Give

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions and reported in the statement of activities as net assets released from restrictions. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

The Foundation uses the allowance method to estimate uncollectible receivables from unconditional promises to give. The allowance is based on management's experience, third-party contracts, analysis of specific promises made and other circumstances, which may affect the ability of third parties to meet their obligations. Promises to give are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible promises to give against allowances when management determines the promise to give will not be collected. All promises to give as of December 31, 2017 and 2016 were unconditional and considered fully collectible.

In-Kind Contributions and Contributed Services

In accordance with FASB ASC 958-605, *Not-For-Profit Entities, Revenue Recognition*, the Foundation recognizes donated services as contributions in the financial statements if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills and would otherwise be purchased by the Foundation. Donated services are recorded at their estimated values at the date of the donation.

Certain individuals volunteer their time and perform a variety of tasks that assist the Foundation in its operations. The Foundation records the value of contributed services when there is an objective basis available to measure the value. During the years ended December 31, 2017 and 2016, the

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Foundation did not have any contributed services meeting the criteria for recognition in the financial statements, and accordingly, no value was recorded.

Receipts of in-kind goods and services are presented as both revenue and expense in the accompanying financial statements and are recorded as non-cash contributions at their estimated fair value at the date of performance of service or receipt of donation. The value of such non-cash contributions that are included in the financial statements for the years ended December 31, 2017 and 2016 was \$0 and \$6,665, respectively, and represented advertisement donations.

Cash and Cash Equivalents

The Foundation considers all monies in banks and highly liquid investments with maturities of three months or less from the date of purchase to be cash and cash equivalents. The carrying values of any cash and cash equivalents are deemed to approximate their fair values because of the short maturities of those financial instruments. The Foundation had no cash equivalents for the years ended December 31, 2017 and 2016.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in restricted net assets until the restrictions are met either by passage of time or by use.

Property and Equipment

Property and equipment are generally recorded at cost or, if donated, at their estimated fair value at the date of donation. Such donations are reported as an increase in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire or maintain property and equipment are reported as restricted contributions. There were no donated assets received by the Foundation during the years ended December 31, 2017 and 2016. The Foundation does not presently have any assets which have donor-imposed restrictions. The Foundation follows the policy of capitalizing all expenditures for property, improvements, furniture and fixtures, and office and computer equipment in excess of \$1,000. Property and equipment items are depreciated using the straight-line method based on their estimated useful lives. Maintenance and repairs are charged to operations when incurred. Major improvements and renewals that extend the life of the asset are capitalized.



**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Income Taxes

The Foundation is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (“Code”) and comparable State law. Accordingly, contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation has also been classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code. Therefore, the Foundation has made no provision for federal income taxes in the accompanying financial statements.

The Foundation applies the provisions of FASB ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation’s Federal income tax return for years 2014 through 2016 is subject to examination by the Internal Revenue Service, generally for three years after it was filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

**Not-for-Profit Entities (Topic 958)** – In August 2016, the FASB issued ASU No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, to make several improvements to the current reporting requirements for not-for-profit entities that address, among others, complexities about the use of the currently required three classes of net assets that focus on the absence or presence of donor-imposed restrictions, deficiencies in the transparency and utility of information useful in assessing an entity’s liquidity; inconsistencies in the type of information provided for expenses; and impediment of preparing the indirect method reconciliation if an entity chooses to use direct method of preparing operating cash flows. This FASB update will be effective for the Foundation’s 2018 annual financial statements. Management is currently evaluating the impact of this accounting update on the Foundation’s financial statements.

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify, improve and provide a more robust framework to determine when a transaction should be accounted for as a contribution or as an exchange transaction. It also provides additional guidance about how to determine whether a contribution is conditional. This FASB update will be effective for the Foundation depending on whether the Foundation is a resource recipient or a resource provider. For transactions in which the Foundation will be a resource recipient, it will be effective for its 2019 annual financial statements. For transactions in which the Foundation will be a resource provider, it will be effective for its 2020 annual financial statements. Management has not determined the impact of this accounting update on the Foundation's financial statements.

**Statement of Cash Flows (Topic 230)** – In November 2016, the FASB issued ASU No. 2016-18, *Restricted Cash*, to provide guidance on the presentation of restricted cash or cash equivalents in the statement of cash flows and require that such a statement explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents and, those be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This FASB update will be effective for the Foundation's 2019 annual financial statements. Management has not determined the impact of this accounting update on the Foundation's financial statements.

**2. CONCENTRATION OF CREDIT RISKS**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Foundation will not be able to recover its deposits. Although the Foundation does not have a formal deposit policy for custodial credit risk, it maintains deposits at federally insured banks and strives to minimize its exposure to custodial credit risk by maintaining deposits at institutions with demonstrated financial strength. Balances in accounts at the banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The total cash maintained by the Foundation in all banks as of December 31, 2017 and 2016 was \$861,359 and \$566,804, respectively, of which \$611,359 and \$316,804 was uninsured by the FDIC as of December 31, 2017 and 2016, respectively.

Pledges receivable from one donor accounted for 74% and 0% of the total receivables as at December 31, 2017 and 2016, respectively

Contribution from one donor accounted for 33% and 0% of the total revenue for the year ended December 31, 2017 and 2016, respectively.

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**3. PROMISES TO GIVE**

The following table sets forth the components of promises to give as of December 31, 2017 and 2016:

<b>2017</b>	Promises to give - due within one year	Promises to give - due in one to five years	Total
Temporarily restricted	\$ 259,772	\$ 192,441	\$ 452,213
Less: unamortized discounts	-	(17,621)	(17,621)
Promises to give, net	\$ 259,772	\$ 174,820	\$ 434,592

<b>2016</b>	Promises to give - due within one year	Promises to give - due in one to five years	Total
Temporarily restricted	202,030	68,637	\$ 270,667
Less: unamortized discounts	-	(17,621)	(17,621)
Promises to give, net	\$ 202,030	\$ 51,016	\$ 253,046

Promises to give with due dates extending beyond one year are discounted using a prime rate prevailing at the date of donation. The effective prime rate as of and during the years ended December 31, 2017 and 2016 was 4.40% and 3.75%, respectively.

**4. FAIR VALUE MEASUREMENTS**

U.S. GAAP requires that certain assets and liabilities be reported at fair value and establishes a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date.

Certain financial assets of the Foundation are measured at fair value on a recurring basis. The three levels of the fair value hierarchy are as follows:

*Level 1 – Quoted prices (unadjusted) are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.*

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

*Level 2 – Pricing inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.*

*Level 3 – Pricing inputs include significant inputs that are generally less observable or from unobservable sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.*

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Financial instruments measured at fair value on a recurring basis at December 31, 2017 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Fund	\$110,250	\$ -	\$ -	\$110,250
Total	<u>\$110,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$110,250</u>

Financial instruments measured at fair value on a recurring basis at December 31, 2016 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Fund	\$110,149	\$ -	\$ -	\$110,149
Total	<u>\$110,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$110,149</u>

Investments are exposed to various risks such as interest rate risks, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position and the statement of activities.

**5. PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment, less accumulated depreciation, as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 17,136	\$ 17,136
Accumulated depreciation	(15,024)	(5,024)
Property and equipment, net	<u>\$ 2,112</u>	<u>\$ 12,112</u>

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Depreciation expense for the years ended December 31, 2017 and 2016 was \$10,000 and \$0, respectively.

**6. NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
Building of Sports Complex	\$ 415,985	\$ 346,650
Scholarships	667,627	371,915
Athletics	14,217	14,217
	<u>\$ 1,097,829</u>	<u>\$ 732,782</u>

Unrestricted net assets amounted to \$189,798 and \$164,964 as of December 31, 2017 and December 31, 2016, respectively, and are available to support the programs and activities of the Foundation.

**7. RELATED PARTY TRANSACTIONS**

The University in cooperation with the Foundation has desired to significantly expand its development efforts, thus, expanding private support and increase discretionary funds for the University. To accomplish these objectives, it was mutually agreed between the Texas A&M University System, the University and the Foundation to apply a one-time six percent (6%) development fee (the “fee”) on all gifts to the University and/or the Foundation with certain exceptions. The fee is taken from the first available income from endowed gifts and from the principal of non-endowed gifts. Eighty-five percent (85%) of the fee is used to support the Foundation’s operations and fifteen percent (15%) is used to support the University’s development activities. The University maintains a “Development Account” for this purpose. The portion of the fees due to the Foundation for contributions collected by the University on behalf of the Foundation is deposited in the Development Account. The portion of the fees due to the University for contributions collected by the Foundation is directly withdrawn by the University from the Development Account. Any remaining balance in the Development Account belongs to the Foundation and can be used by the Foundation to support its operations. The total development fee paid to the Foundation amounted to \$91,935 and \$85,284 for the years ended December 31, 2017 and 2016, respectively. The Foundation utilizes a portion of the fee amount for its operations. In addition, as of December 31, 2017 and 2016, the Foundation has a payable outstanding of \$0 and \$1,361, respectively, to remit the .9% development fee for gifts collected directly by the Foundation to the University. The Foundation also has a payable outstanding of \$207,009 to remit donations to the University.

**PRAIRIE VIEW A&M FOUNDATION**  
(A Texas Nonprofit Corporation)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

In February 2012, the Foundation entered into an agreement with the Board of Regents of the University to lease office space and utilities (excluding telephone and internet) in the University's College of Nursing building located in Houston, Texas. The initial lease agreement expired on August 31, 2012, but was extended for four additional one-year periods until August 31, 2016. In September 2016, the Foundation entered into a new lease agreement with the Board of Regents of the University with terms similar to the prior agreement. The new lease agreement expired August 31, 2017 and was renewed by the University through August 31, 2019. In consideration for the Foundation's support of the educational undertakings of the University, all rent has been waived.

The Board of Trustees of the Foundation has mutually agreed to support the Foundation by making cash and in-kind contributions. Pursuant to this commitment, the Foundation has received \$127,430 and \$178,258 in cash contributions from certain members of the Board of Trustees for the years ended December 31, 2017 and 2016, respectively.

**8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 15, 2018 the date financial statements were available to be issued. No changes were made, or are necessary to be made, to the financial statements, as a result of this evaluation.



# 2017 Performance Metrics

## ADMINISTRATION RATIO

Admin Expenses/Total Expenses

Admin	\$159,134.00	
Total	\$405,122.00	39%

## FUNDING COST RATIO

Fundraising Expenses/Total donations

Fundraising Expenses	\$437,383.00	
Total Donations	\$1,214,954.00	36%

## SUPPORT RATIO

\$'s to University/total Expenses of Foundation

\$ to University	\$653,281.00	
Total Cost	\$405,122.00	1.61 times

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## Prairie View A&M Foundation

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Room 112

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If you have questions call us at: 800.707.8138

[www.pvamf.org](http://www.pvamf.org)